

MIAMIBEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

Jimmy L. Morales, City Manager
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NO. LTC # **072-2016**

LETTER TO COMMISSION

TO: Mayor Philip Levine and Members of the City Commission

FROM: Jimmy L. Morales, City Manager

DATE: February 18, 2016

SUBJECT: Acquisition of Southern Waste Systems LLC by Waste Management Inc. of Florida

This Letter to Commission is to inform you that Southern Waste Systems LLC, currently one of the three City's licensed commercial solid waste franchisees, has executed an asset purchase agreement with Waste Management Inc. of Florida, who is also a licensed franchisee. The letter from Waste Management Inc. of Florida dated February 12, 2016 is attached.

Southern Waste Systems LLC currently has 34 accounts which represent less than 2% of the current market share of the City's commercial solid waste. Waste Management Inc. of Florida currently has 61.40% of the market share.

With this acquisition, the number of franchise waste contractors will again go from three (3) to two (2). The City Code states that "the City shall not authorize more than five franchise waste contractors".

Following negotiations in 2014, the City Commission approved and entered into agreements with three franchise solid waste contractors in exchange for keeping the number of franchisees at three (3). Prior to this, the City was serviced by two franchise solid waste contractors due to a similar acquisition.

Should you have any questions, please do not hesitate to call me.

Attachment A: Letter from Waste Management Inc. of Florida

JLM/EC/AF/AZ



Waste Management Inc. of Florida

3401 NW 110 Street
Miami, FL 33167

February 12, 2016

Alberto Zamora
Sanitation Director
City of Miami Beach
140 MacArthur Causeway, 2nd Floor
Miami Beach, FL 33139

Re: Acquisition

Dear Mr. Zamora:

Waste Management Inc. of Florida ("WMIF") purchased substantially all the assets of Southern Waste Systems ("SWS") and its affiliated companies on January 8, 2016. WMIF did not purchase the corporate entities. The assets include the fleet, equipment and customer contracts. SWS owned 12 sites that include transfer stations, material recovery facilities and C&D processing facilities.

All of those were acquired (although some of the sites were simply leased to WMIF). All the contracts will be performed pursuant to their terms and conditions. As part of the acquisition, the SWS corporate names were obtained by WMIF, as well as the logos and phone numbers. We anticipate that operations will be conducted as they were prior to the closing. Over time, the SWS operations will be fully integrated into the WMIF family of companies.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason Neal".

Jason Neal
Government Affairs Director